GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2706
ANSWERED ON:07.02.2014
LOAN FROM NABARD
Chanabasappa Shri Udasi Shivkumar

Will the Minister of FINANCE be pleased to state:

(a) the rates of financing and re-financing on long-term and short-term loans charged by the National Bank for Agriculture and Rural Development(NABARD) from Cooperative Banks and others during the last three years;

(b) whether changes are proposed to be effected in the same; and

(c) if so, the details thereof and the reasons therefor?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a):- NABARD provides refinance support to Co-operative Banks and other banks against their short term and long term lendings to borrowers for undertaking various economic activities under agriculture and allied sectors. The rates applicable for short term refinance as on 31.03.2012, 31.03.2013 and 03.02.2014 are given in Annexure I. Rates applicable for long term refinance during 2011-12, 2012-13 and 2013-14 are given in Annexure II.

(b) & (c) : NABARD has reported that any changes in the interest rate structure are made after due deliberations in their Asset Liabilities Committee meetings. Various factors including economic and market conditions and cost of funds are taken into consideration. As regards Short Term Crop Loan - Seasonal Agricultural Operations (ST-SAO), which is a concessional refinance, the rate of interest is decided by the Government of India.